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November 5, 1996

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Federal Communications Commission
Office of Secretary

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

Ex Parte: CS Docket No. 95-184, Telecommunications Services Inside Wiring and Customer Premises Equipment

MM Docket No. 92-260, Implementation of the Cable Television Consumer Protection Act of 1992: Cable Home Wiring

Dear Mr. Caton,

On November 5, 1996, representatives of GTE met with Mr. John Logan, Mr. Rick Chesson, Ms. JoAnn Lucanik, Ms. Meryl Icove, and Ms. Alex Johns of the Cable Services Bureau to discuss cable service inside wiring issues as they relate to GTE's positions in the above referenced proceeding. The attached material was used as part of the discussion.

Sincerely,

W. Scott Randolph
Director - Regulatory Affairs

cc: Ms. Meredith Jones
Mr. John Logan
Mr. Rick Chesson
Ms. JoAnn Lucanik
Ms. Meryl Icove
Ms. Alex Johns

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TELECOMMUNICATIONS INSIDE WIRING

CS Docket No 95-184

MM Docket No. 92-260



TRENDS IN THE CURRENT MARKETPLACE

- GTE is marketing telecommunications services to Multiple Dwelling Units (“MDUs”) in its major market areas:
 - TX, CA, WA, OR, FL, HI
- MDU owners use exclusive agreements and rights of entry to insure high quality services are provided to tenants at good prices.
 - Intended to do so since tenants are mobile and have wide selection of housing alternatives.

TRENDS IN THE CURRENT MARKETPLACE

- MDU owners grant exclusive contracts to telecommunications service suppliers.
 - In exchange for campus distribution and inside wiring at no cost to owner.
 - One stop shopping for tenants.
- GTE is competing in the marketplace.
 - Provides “telco-quality” service.
 - Funds the cost of the inside wiring.
 - Provides attractive service packages to tenants.
 - Owner incentives.
 - Others compete on a different basis.

THE MARKET SHOULD DICTATE HOW VIDEO SERVICES ARE PROVIDED TO MULTIPLE DWELLING UNITS

- **FCC need only to adopt those rules which place all service providers on an equal footing.**
 - **Allow the market to determine the winners and losers.**
- **Incumbent cable operators should not be able to use their incumbency to gain a favored position in serving MDUs once competitive alternatives are available.**

CABLE INSIDE WIRING RULES

- Ownership of wiring should not inhibit MDU owner from obtaining new service arrangements.
- MDU owners should be able to control existing wiring when entering into a business arrangement with new service provider.
- Existing “twelve inch” policy impedes competition for MDU business.
 - Negative impacts are well documented in the record.

CABLE INSIDE WIRING RULES

- FCC should establish a cable demarcation point at a location which is readily accessible to multiple providers.

“Outside the individual dwelling units but within the common areas of the MDU at which the individual tenant’s wires can be detached from the cable operator’s wiring without damaging the MDU.”

- New definition should apply to all future inside wire installations.

CABLE INSIDE WIRING RULES

- Existing inside wiring configurations should conform to the new demarcation point policy.
- MDU owner should be allowed to purchase the inside wiring to the new demarcation point at a reasonable cost.
- Cable operators should be prevented from removing or rearranging wire on subscriber's side of new demarcation point.

CABLE SERVICE CONTRACTS

- Contracts entered into prior to competition should not inhibit MDU owner from obtaining new service arrangements.
- MDU owners should be allowed to opt-out of *perpetual*, exclusive contracts.

CABLE SERVICE CONTRACTS

- A “fresh-look” policy would provide an opportunity for MDU owners to take advantage of new alternative technologies and services offered by other providers.
 - Provides a reasonable balance between the need to promote competition in video markets and the interests of incumbent cable operators.
- No restrictions need be placed on contractual arrangements of reasonable fixed duration entered into after the fresh-look period closes.
 - Market should dictate terms of service.